

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 11

Sky Ventures, LLC

Case No. 14-42107-MER

Debtor.

**NOTICE OF HEARING AND MOTION TO ALLOW
SET-OFF OF FUNDS BY PIZZA HUT, INC. AND
PAY PRE-PETITION DE-IDENTIFICATION CREDITORS**

NOTICE OF HEARING: The Court will hold a hearing on this Motion on August 19, 2014, at 1:30 pm in Courtroom 7 West, 300 S 4th Street, Minneapolis, Minnesota or as soon thereafter as counsel may be hear.

Any response to this Motion must be filed and served not later than August 14, 2014, which is five (5) days before the time set for the hearing (including Saturdays, Sundays and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT HEARING.**

NOW INTO COURT, through undersigned counsel comes Sky Ventures, LLC (“Debtor”), who files this Motion to Allow Set-Off of Funds by Pizza Hut, Inc. and Pay Pre-petition De-Identification Creditors. In support of the Motion, mover asserts:

JURISDICTION AND PROCEDURAL BACKGROUND

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This Motion concerns the administration of the Debtor’s estate; and therefore, it is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief requested herein is 11 U.S.C. § 553.

2. On May 14, 2014, (the “Petition Date”), the Debtor filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code (the “Chapter 11 Case”). *See* Docket No. 1.

3. The Debtor continues to operate its business and manage its property as a debtor in possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

4. The Debtor was in the business of owning and operating Pizza Hut, Inc. (“Pizza Hut”) restaurants in the greater Minneapolis metropolitan area.

5. For the reasons described in the memorandum in support of the Motion, filed concurrently herewith, the Debtor requests that this Court enter an order (i) authorizing Pizza Hut to set off from the escrow account all amounts due to Pizza Hut under the Franchise Agreement (including royalties, advertising, and other monetary obligations) through the Petition Date, and (ii) requiring Pizza Hut, upon completion of the de-identification work to Pizza Hut’s satisfaction, to pay to the Debtor the balance of the funds in the escrow account less and except all amounts set off by Pizza Hut.

WHEREFORE, Sky Ventures, LLC requests the following relief from the Court:

1. Authorizing Pizza Hut, Inc. to set off from the escrow all amounts owed to it under the Franchise Agreement through May 14, 2014;
2. Pizza Hut, Inc. turn over to the Debtor the remaining funds in the escrow account;
3. The Debtor is authorized to pay the vendors on Schedule 1 the amounts set forth on the Schedule; and
4. All other relief as is just and equitable.

July 15, 2014

LAPP, LIBRA, THOMSON, STOEBNER
& PUSCH, CHARTERED

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HELLER, DRAPER, PATRICK, HORN
& DABNEY, L.L.C.

/e/Douglas S. Draper

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(Pro Hac Vice Pending)
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Counsel for Debtor

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 11

Sky Ventures, LLC

Case No. 14-42107-MER

Debtor.

**MEMORANDUM IN SUPPORT OF MOTION
TO ALLOW SET-OFF OF FUNDS BY PIZZA HUT, INC. AND
PAY PRE-PETITION DE-IDENTIFICATION CREDITORS**

NOW INTO COURT, through undersigned counsel comes Sky Ventures, LLC (“Debtor”), who files this Memorandum in Support of the Motion to Allow Set-Off of Funds by Pizza Hut, Inc. and Pay Pre-petition De-Identification Creditors. In support of the Motion, mover asserts:

1. Debtor filed for relief pursuant to Chapter 11 of the United States Bankruptcy Code on the 14th day of May, 2014 (the “Petition Date”).
2. The Debtor was in the business of owning and operating Pizza Hut, Inc. (“Pizza Hut”) restaurants in the greater Minneapolis metropolitan area.
3. Prior to the Petition Date the Debtor, in connection with its business, entered into a Franchise Agreement with Pizza Hut. The Franchise Agreement authorized the Debtor to use proprietary Pizza Hut trademarks in connection with the operation of the business.
4. The proprietary property included, but is not limited to, Pizza Hut signs, Pizza Hut stores designs, roof coloring, etc. The Franchise Agreement provided that, when the Debtor’s rights to use the proprietary property terminated, the Debtor was required to both return the property and de-identify its locations. Failure to return property or de-identify would constitute a breach of the Franchise Agreement and a possible violation of the Lanham Act.

5. In December of 2013, the Debtor sold fifty-four (54) Pizza Hut locations to MUY Pizza Minnesota, LLC (“MUY”).

6. In order to effectuate the sale and the assumption and assignment of the Debtor’s Franchise Agreement to MUY and limit the Debtor’s liquidated damages under the Franchise Agreement, Pizza Hut required the Debtor escrow with Pizza Hut a sum sufficient to de-identify locations that were not transferred to MUY. Attached as Exhibit 1 is the per property fund that was escrowed with Pizza Hut to pay for cost of the de-identification of the locations.

7. The Debtor has completed the de-identification work for nine (9) of the stores to the satisfaction of Pizza Hut. At the time this Motion is heard, the Debtor will have completed all de-identification work at the remaining stores for which the Court has been asked to approve the rejection of the related master lease.

8. The Debtor requests that this Court enter an order (i) authorizing Pizza Hut to set off from the escrow account all amounts due to Pizza Hut under the Franchise Agreement (including royalties, advertising, and other monetary obligations) through the Petition Date, and (ii) requiring Pizza Hut, upon completion of the de-identification work to Pizza Hut’s satisfaction, to pay to the Debtor the balance of the funds in the escrow account less and except all amounts set off by Pizza Hut.

9. The Debtor proposes, with the funds received from Pizza Hut, to pay in full the claims of all vendors who performed services, worked or provided materials in connection with the de-identification process. A schedule of the amounts owed to such creditors is set forth on Exhibit 2.

10. The Debtor submits that legal basis for making the payments in this Motion are based upon the following:

- (1) Pizza Hut possess a right of set-off pursuant to 11 U.S.C. § 553 for the payments of its claims under the Franchise Agreement;
- (2) The de-identification creditors possess lien rights against the property to which they rendered services or provided materials. The Debtor, pursuant to stipulations entered with various landlords, is required to pay in full the claims of the de-identification creditors; and
- (3) The funds to pay the de-identification creditors have been earmarked since December of 2013 when the Debtor paid the funds to de-identify the locations to Pizza Hut. The Debtor can only access the funds to pay de-identification creditors. Payment of the de-identification creditors was an essential term in Pizza Hut: (i) releasing the Debtor of liquidated damages under its Franchise Agreement; and (ii) allowing the sale of the fifty-four (54) units to MUY.

WHEREFORE, Sky Ventures, LLC requests the following relief from the Court:

1. Authorizing Pizza Hut, Inc. to set off from the escrow all amounts owed to it under the Franchise Agreement through May 14, 2014;
2. Pizza Hut, Inc. turn over to the Debtor the remaining funds in the escrow account;
3. The Debtor is authorized to pay the vendors on Schedule 1 the amounts set forth on the Schedule; and
4. All other relief as is just and equitable.

July 15, 2014

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Counsel for Debtor

Exhibit "1"

<u>Unit #</u>		<u>Complete</u>	<u>project status</u>	<u>Remaining Due from PH</u>	
13776	Hibbing	Yes	Completed	\$25,000.00	
13778	Two Harbors	Yes	Completed	\$25,000.00	
13779	Ely	Yes	Completed	\$5,000.00	\$20,000.00
13782	Sauk Rapids	Yes	Completed	\$5,000.00	\$20,000.00
13783	Grand Rapids	Yes	Completed	\$25,000.00	
13786	Buffalo	Yes	Completed	\$5,000.00	\$20,000.00
13787	Elk River	Yes	Completed	\$25,000.00	
13791	Willmar	Yes	Completed	\$25,000.00	
13793	Cresko	Yes	Completed	\$25,000.00	
13796	Clear Lake	Yes	Completed	\$25,000.00	
13797	Forest City	Yes	Completed	\$25,000.00	
13799	Algona	Yes	Completed	\$5,000.00	\$20,000.00
13810	Hutchinson	Yes	Completed	\$5,000.00	\$20,000.00
13811	Marshall	Yes	Completed	\$25,000.00	
13812	Albert Lea	Yes	Completed	\$5,000.00	\$20,000.00
13826	Superior	Yes	Completed	\$25,000.00	
13855	Rochester	Yes	Completed	\$10,000.00	
13773	Lakeville	Open		\$25,000.00	
13780	Duluth	Open		\$25,000.00	
13788	Sauk Center	Open		\$25,000.00	
13823	Woodbury	Open		\$25,000.00	
13839	Columbia Heights	Open		\$25,000.00	
13862	Duluth	Open		\$10,000.00	

Totals \$425,000.00 \$120,000.00

Exhibit “2”

Vendor Name	Invoice #	Date	Description	Store	Dollar Amount
A+	27718	4/19/14	Remove Refrigerant, disconnect equipment	13793 cresco	\$461.85
A+	27720	4/19/14	Remove Refrigerant, disconnect equipment	13796 clear lake	\$356.85
A+	27721	4/19/14	Remove Refrigerant, disconnect equipment	13797 forest city	\$440.85
					\$1,259.55
Alpha	unknown	tbd	construction dumpster	13773 lakeville	\$400.00
Alpha	unknown	tbd	construction dumpster	13823 woodbury	\$500.00
Alpha	unknown	tbd	construction dumpster	13839 col. heights	\$400.00
					\$1,300.00
Carlson	0414-138	4/18/14	Remove Refrigerant, disconnect equipment	13778 two harbors	\$531.55
Carlson	0414-139	4/18/14	Remove Refrigerant, disconnect equipment	13826 superior	\$467.33
Carlson	unknown	tbd	Remove Refrigerant, disconnect equipment	13780 duluth-london	\$1,400.00
Carlson	unknown	tbd	Remove Refrigerant, disconnect equipment	13862 duluth-grand	\$700.00
					\$3,098.88
CKS	unknown	tbd	Remove Ovens	13773 lakeville	\$1,000.00
CKS	unknown	tbd	Remove Ovens	13778 sauk centre	\$1,500.00
CKS	unknown	tbd	Remove Ovens	13780 duluth-london	\$1,500.00
CKS	unknown	tbd	Remove Ovens	13823 woodbury	\$1,000.00
CKS	unknown	tbd	Remove Ovens	13839 col. heights	\$1,000.00
CKS	unknown	tbd	Remove Ovens	13862 duluth-grand	\$1,500.00
					\$7,500.00
Custom Creations	4047	4/22/14	Trailer, recycle, and Dump fee	13787 elk river	\$2,000.34
Custom Creations	unknown	tbd	Trailer, recycle, and Dump fee	13773 lakeville	\$2,500.00
Custom Creations	unknown	tbd	Trailer, recycle, and Dump fee	13823 woodbury	\$2,100.00
Custom Creations	unknown	tbd	Trailer, recycle, and Dump fee	13839 col. heights	\$2,100.00
					\$8,700.34
Ellingson	unknown	tbd	Remove Refrigerant, disconnect equipment	13788 sauk centre	\$1,500.00
					\$1,500.00
Geoff Michael Group Inc	2058	4/8/14	Remove and dispose of signage	13791 willmar	\$1,782.00
Geoff Michael Group Inc	2072	4/24/14	Removal and dispose of signage	13811 marshall	\$1,350.63
Geoff Michael Group Inc	2073	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13787 elk river	\$2,061.00
Geoff Michael Group Inc	2079	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13776 hibbing	\$2,520.00
Geoff Michael Group Inc	2080	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13783 grand rapids	\$2,160.00
Geoff Michael Group Inc	2081	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13778 two harbors	\$1,971.00
Geoff Michael Group Inc	2082	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13826 superior	\$1,890.00
Geoff Michael Group Inc	2083	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13797 forest city	\$1,909.53
Geoff Michael Group Inc	2084	4/28/14	Disconnect/remove and scrap wall signs	13793 cresco	\$1,725.75
Geoff Michael Group Inc	2085	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13796 clear lake	\$2,206.89
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13773 lakeville	\$2,100.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13778 sauk centre	\$2,800.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13780 duluth-london	\$2,800.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13823 woodbury	\$2,100.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13839 col. heights	\$1,600.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13862 duluth-grand	\$1,200.00
					\$32,176.80
Hydro	PH21	4/21/14	Roof painting	13826 superior	\$1,750.00
Hydro	PHR25	5/1/14	Roof painting	13791 willmar	\$4,500.00
Hydro	PHR26	5/1/14	Roof painting	13793 cresco	\$4,500.00
Hydro	PHR27	5/1/14	Roof painting	13796 clear lake	\$4,500.00
Hydro	PHR29	5/1/14	Roof painting	13811 marshall	\$4,500.00
Hydro	PHR31	5/1/14	Roof painting	13776 hibbing	\$4,500.00
Hydro	PHR32	5/1/14	Roof painting	13778 two harbors	\$4,500.00
Hydro	PHR35	5/1/14	Roof painting	13787 elk river	\$4,500.00
Hydro	PHR24	4/28/14	Roof painting	13797 forest city	\$4,500.00
Hydro	PHR42	6/24/14	Roof painting	13773 lakeville	\$5,000.00
Hydro	PHR38	6/24/14	Roof painting	13778 sauk centre	\$5,000.00
Hydro	PHR37	6/24/14	Roof painting	13780 duluth-london	\$5,000.00
Hydro	PHR39	6/24/14	Roof painting	13823 woodbury	\$5,000.00
Hydro	PHR40	6/24/14	Roof painting	13839 col. heights	\$3,000.00
Hydro	PHR41	6/24/14	Roof painting	13862 duluth-grand	\$3,000.00
					\$63,750.00
Lake Region Electric	13568	4/16/14	Various electrical work	13791 willmar	\$1,270.84
					\$1,270.84
Legend	SD4722	4/9/14	Preliminary closure work including black out windows	13791 willmar	\$2,108.43
Legend	SD4836	4/29/14	Equipment removal and misc. de-ld work	13791 willmar	\$2,515.23
Legend	SD4876	4/30/14	Remove Equipment, misc.	13826 superior	\$5,865.24
Legend	SD4877	4/30/14	De-identify store	13778 two harbors	\$6,225.15
Legend	SD4882	4/30/14	Remove Equipment, misc.	13796 clear lake	\$6,230.14
Legend	SD4883	4/30/14	Remove Equipment, misc.	13797 forest city	\$6,252.82
Legend	SD4884	4/30/14	Remove Equipment, misc.	13793 cresco	\$7,298.57
Legend	unknown	tbd	Remove Equipment, misc.	13780 duluth-london	\$4,200.00
Legend	unknown	tbd	Remove Equipment, misc.	13862 duluth-grand	\$3,100.00
					\$43,795.58
MTG	489355	4/30/14	POS removal	13793 cresco	\$112.35
MTG	489356	4/30/14	POS removal	13796 clear lake	\$112.35
MTG	489357	4/30/14	POS removal	13776 hibbing	\$149.63

MTG	489358	5/2/14	POS removal	13778 two harbors	\$842.71
MTG	489359	4/30/14	POS removal	13783 grand rapids	\$112.22
MTG	489360	4/30/14	POS removal	13787 elk river	\$356.43
MTG	489361	4/30/14	POS removal	13797 clear lake	\$607.76
MTG	489362	4/30/14	POS removal	13811 marshall	\$112.74
MTG	489363	4/30/14	POS removal	13826 superior	\$831.87
MTG	unknown	tbd	POS removal	13773 Lakeville	\$400.00
MTG	unknown	tbd	POS removal	13823 Woodbury	\$400.00
MTG	unknown	tbd	POS removal	13839 Col. Heights	\$400.00
					\$4,438.06
Royal Roofing	14-084	4/14/14	Remove existing metal on mansard, cut existing wood decking, vents to parapet	13791 willmar	\$14,853.00
Royal Roofing	14-089	4/22/14	De-identify building, remove parapet walls and flash in with TPO, new drip edge	13776 hibbing	\$11,673.00
Royal Roofing	14-090	4/22/14	De-identify Building and replace metal cap	13778 two harbors	\$9,263.50
Royal Roofing	14-091	4/22/14	De-Identify Building and removal of parapet cap and install new ridge	13796 clear lake	\$6,744.00
Royal Roofing	14-092	4/22/14	De-identify Building and replace metal cap	13793 cresco	\$10,022.00
Royal Roofing	14-093	4/22/14	De-identify Building and replace metal cap	13797 forest city	\$10,419.50
Royal Roofing	14-094	4/22/14	De-Identify Building and replace metal cap	13811 marshall	\$9,411.00
Royal Roofing	14-110	4/29/14	De-identify Building and replace metal cap	13787 elk river	\$7,789.20
Royal Roofing	14-230	6/24/14	De-identify Building and replace metal cap	13773 Lakeville	\$12,000.00
Royal Roofing	14-232	6/24/14	De-identify Building and replace metal cap	13780 duluth-london	\$9,500.00
Royal Roofing	14-231	6/24/14	De-identify Building and replace metal cap	13788 Sauk Centre	\$12,000.00
Royal Roofing	14-229	6/24/14	De-identify Building and replace metal cap	13823 Woodbury	\$12,000.00
					\$125,675.20
Summit	89263	4/24/14	Black out windows, dispose of all debris and PH items	13811 marshall	\$6,008.04
Summit	89264	4/24/14	Black out windows, dispose of all debris and PH items	13787 elk river	\$1,953.87
Summit	89265	4/24/14	Black out windows, dispose of all debris and PH items	13783 grand rapids	\$3,865.94
Summit	89266	4/24/14	Black out windows, dispose of all debris and PH items	13776 hibbing	\$5,198.51
Summit	unknown	tbd	Remove Refrigerant, disconnect equipment	13773 Lakeville	\$2,400.00
Summit	unknown	tbd	Remove Refrigerant, disconnect equipment	13823 Woodbury	\$2,400.00
Summit	unknown	tbd	Remove Refrigerant, disconnect equipment	13839 Col. Heights	\$1,300.00
Summit	unknown	tbd	Black out windows, dispose of all debris and PH items	13788 Sauk Centre	\$4,200.00
					\$27,326.36
summit fire	unknown	tbd	remove fire suppression	13773 Lakeville	\$600.00
summit fire	unknown	tbd	remove fire suppression	13823 Woodbury	\$600.00
summit fire	unknown	tbd	remove fire suppression	13839 Col. Heights	\$600.00
					\$1,800.00
TH Contracting					\$0.00
					\$0.00
				Total	\$323,591.61

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 11

Sky Ventures, LLC

Case No. 14-42107

Debtor.

UNSWORN CERTIFICATE OF SERVICE

I, Douglas S. Draper, declare under penalty of perjury that on July 15, 2014, I caused to be mailed copies of the following documents:

1. NOTICE OF HEARING AND MOTION TO ALLOW SET-OFF OF FUNDS BY PIZZA HUT, INC. AND PAY PRE-PETITION DE-IDENTIFICATION CREDITORS;
and
2. MEMORANDUM IN SUPPORT OF MOTION TO ALLOW SET-OFF OF FUNDS BY PIZZA HUT, INC. AND PAY PRE-PETITION DE-IDENTIFICATION CREDITORS

by first class mail postage prepaid to each entity named on the Top 20 Unsecured Creditors, Spirit Master Funding, through its attorneys John R. McDonald jmcDonald@briggs.com, Benjamin Gurstelle bgurstelle@briggs.com, and Jason R. Asmus jasmus@briggs.com; Pizza Hut through W. Evanoff wevanoff@sidley.com.

VIA ELECTRONIC FILING:

- Jason R. Asmus jasmus@briggs.com, kganske@briggs.com
- Daniel C. Beck dbeck@winthrop.com, tcooke@winthrop.com
- Greta M Brouphy, kfritscher@hellerdraper.com; lcollins@hellerdraper.com
- Michael R Fadlovich michael.fadlovich@usdoj.gov
- Craig S Ganz ganzc@ballardspahr.com, hessm@ballardspahr.com; phxdocketing@ballardspahr.com
- Benjamin Gurstelle bgurstelle@briggs.com, soneill@briggs.com
- John R. McDonald jmcDonald@briggs.com, mjacobson@briggs.com
- Ralph Mitchell rmitchell@lapplibra.com, jpipp@lapplibra.com
- Matthew H. Morgan morgan@nka.com, assistant@nka.com
- Jacob B. Sellers jsellers@winthrop.com, rtri@winthrop.com
- US Trustee ustpregion12.mn.ecf@usdoj.gov

Dated: July 15, 2014

HELLER, DRAPER, PATRICK, HORN & DABNEY, LLC

By: /e/ Douglas S. Draper
DOUGLAS S. DRAPER (La. Bar No. 5073)
LESLIE A. COLLINS (La Bar No. 14891)
GRETA M. BROUPHY (La. Bar No. 26216)
650 Poydras Street, Suite 2500
New Orleans, Louisiana 70130
Telephone: 504-299-3300
Fax: 504-299-3399
Attorneys for Debtor

<u>Name</u>	<u>Address1</u>	<u>Address2</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
A+ Services	4481 N. Frontage Rd.		Rochester	MN	55901
Aaron Pohjola DBA AP Services of Duluth	1806 W. Arrowhead Road		Duluth	MN	55811
Carlson Refrigeration	602 Ogden Avenue		Superior	WI	54880
Custom Creations Remodeling	1321 Andover Blvd.	Ste. 112	Andover	MN	55304
Geoff Michael Group	1713 Avocet Lane		Mound	MN	55364
Hydro Restoration	50 Glen Edge Rd.		Dellwood	MN	55110
IPHFHA National	7829 E Rockhill Street Ste 201		Wichita	KS	67206-3918
KFC National Council & Advertising Coop	P.O. Box 642474		Pittsburgh	PA	15264-2474
KFC Royalty	P.O. Box 203805		Dallas	TX	75320-3805
Lake Region Electric	4601 113th Ave. NE		Spicer	MN	56288
Legend Mechanical	12467 Boone Ave.	Suite 1	Savage	MN	55378
MacGillivray Ranch LLC	225 Los Robles		Templeton	CA	93465
MTG	8555 123rd Street West		Savage	MN	55378
Pizza Hut Inc-St Louis/YRSG	PO Box 955641		St Louis	MO	63195-5641
Quikorder, Inc.	351 West Hubbard Street	Suite 501	Chicago	IL	60654
Royal Roofing	PO Box 248		Monticello	MN	55362
Summit Facility & Kitchen Service , LLC	PO Box 1575 #159		Minneapolis	MN	55480-1575
UFPC Smallwares Connection	PO Box 73184		Cleveland	OH	44193
Xcel Energy - Mpls MN	PO Box 9477		Minneapolis	MN	55484-9477
Spirit Realty Capital	16767 N. Perimeter Dr.	Suite 210	Scottsdale	AZ	85260

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

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Case No. 14-42107-MER

Debtor.

**ORDER GRANTING MOTION
TO ALLOW SET-OFF OF FUNDS BY PIZZA HUT, INC. AND
PAY PRE-PETITION DE-IDENTIFICATION CREDITORS**

Considering Sky Ventures, LLC's (the "Debtor") *Motion to Allow Set-Off of Funds by Pizza Hut, Inc. and Pay Pre-Petition De-Identification Creditors* (the "Motion"), lack of objection to the Motion, statements of counsel, and applicable law;

IT IS ORDERED that the Motion is granted.

IT IS FURTHER ORDERED, that pursuant to 11 U.S.C. § 553 Pizza Hut, Inc. is granted the authority to set off from the escrow account all amounts due to Pizza Hut, Inc. under the Franchise Agreement (including royalties, advertising, and other monetary obligations) through May, 14, 2014, the Petition Date.

IT IS FURTHER ORDERED that Pizza Hut, Inc. is required upon completion of the de-identification work to Pizza Hut's Inc. satisfaction, to pay to the Debtor the balance of the funds in the escrow account less and except all amounts set off by Pizza Hut, Inc.

IT IS FURTHER ORDERED that the Debtor is granted the authority to pay the claims of all vendors who performed services, worked or provided materials in connection with the de-identification process as set forth on Exhibit 1 attached hereto.

Dated: _____, 2014

Judge of U.S. Bankruptcy Court

Vendor Name	Invoice #	Date	Description	Store	Dollar Amount
A+	27718	4/19/14	Remove Refrigerant, disconnect equipment	13793 cresco	\$461.85
A+	27720	4/19/14	Remove Refrigerant, disconnect equipment	13796 clear lake	\$356.85
A+	27721	4/19/14	Remove Refrigerant, disconnect equipment	13797 forest city	\$440.85
					\$1,259.55
Alpha	unknown	tbd	construction dumpster	13773 lakeville	\$400.00
Alpha	unknown	tbd	construction dumpster	13823 woodbury	\$500.00
Alpha	unknown	tbd	construction dumpster	13839 col. heights	\$400.00
					\$1,300.00
Carlson	0414-138	4/18/14	Remove Refrigerant, disconnect equipment	13778 two harbors	\$531.55
Carlson	0414-139	4/18/14	Remove Refrigerant, disconnect equipment	13826 superior	\$467.33
Carlson	unknown	tbd	Remove Refrigerant, disconnect equipment	13780 duluth-london	\$1,400.00
Carlson	unknown	tbd	Remove Refrigerant, disconnect equipment	13862 duluth-grand	\$700.00
					\$3,098.88
CKS	unknown	tbd	Remove Ovens	13773 lakeville	\$1,000.00
CKS	unknown	tbd	Remove Ovens	13778 sauk centre	\$1,500.00
CKS	unknown	tbd	Remove Ovens	13780 duluth-london	\$1,500.00
CKS	unknown	tbd	Remove Ovens	13823 woodbury	\$1,000.00
CKS	unknown	tbd	Remove Ovens	13839 col. heights	\$1,000.00
CKS	unknown	tbd	Remove Ovens	13862 duluth-grand	\$1,500.00
					\$7,500.00
Custom Creations	4047	4/22/14	Trailer, recycle, and Dump fee	13787 elk river	\$2,000.34
Custom Creations	unknown	tbd	Trailer, recycle, and Dump fee	13773 lakeville	\$2,500.00
Custom Creations	unknown	tbd	Trailer, recycle, and Dump fee	13823 woodbury	\$2,100.00
Custom Creations	unknown	tbd	Trailer, recycle, and Dump fee	13839 col. heights	\$2,100.00
					\$8,700.34
Ellingson	unknown	tbd	Remove Refrigerant, disconnect equipment	13788 sauk centre	\$1,500.00
					\$1,500.00
Geoff Michael Group Inc	2058	4/8/14	Remove and dispose of signage	13791 willmar	\$1,782.00
Geoff Michael Group Inc	2072	4/24/14	Removal and dispose of signage	13811 marshall	\$1,350.63
Geoff Michael Group Inc	2073	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13787 elk river	\$2,061.00
Geoff Michael Group Inc	2079	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13776 hibbing	\$2,520.00
Geoff Michael Group Inc	2080	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13783 grand rapids	\$2,160.00
Geoff Michael Group Inc	2081	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13778 two harbors	\$1,971.00
Geoff Michael Group Inc	2082	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13826 superior	\$1,890.00
Geoff Michael Group Inc	2083	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13797 forest city	\$1,909.53
Geoff Michael Group Inc	2084	4/28/14	Disconnect/remove and scrap wall signs	13793 cresco	\$1,725.75
Geoff Michael Group Inc	2085	4/28/14	Disconnect/removal of pylon face lamps and scrap all	13796 clear lake	\$2,206.89
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13773 lakeville	\$2,100.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13778 sauk centre	\$2,800.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13780 duluth-london	\$2,800.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13823 woodbury	\$2,100.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13839 col. heights	\$1,600.00
Geoff Michael Group Inc	unknown	tbd	Disconnect/removal of pylon face lamps and scrap all	13862 duluth-grand	\$1,200.00
					\$32,176.80
Hydro	PH21	4/21/14	Roof painting	13826 superior	\$1,750.00
Hydro	PHR25	5/1/14	Roof painting	13791 willmar	\$4,500.00
Hydro	PHR26	5/1/14	Roof painting	13793 cresco	\$4,500.00
Hydro	PHR27	5/1/14	Roof painting	13796 clear lake	\$4,500.00
Hydro	PHR29	5/1/14	Roof painting	13811 marshall	\$4,500.00
Hydro	PHR31	5/1/14	Roof painting	13776 hibbing	\$4,500.00
Hydro	PHR32	5/1/14	Roof painting	13778 two harbors	\$4,500.00
Hydro	PHR35	5/1/14	Roof painting	13787 elk river	\$4,500.00
Hydro	PHR24	4/28/14	Roof painting	13797 forest city	\$4,500.00
Hydro	PHR42	6/24/14	Roof painting	13773 lakeville	\$5,000.00
Hydro	PHR38	6/24/14	Roof painting	13778 sauk centre	\$5,000.00
Hydro	PHR37	6/24/14	Roof painting	13780 duluth-london	\$5,000.00
Hydro	PHR39	6/24/14	Roof painting	13823 woodbury	\$5,000.00
Hydro	PHR40	6/24/14	Roof painting	13839 col. heights	\$3,000.00
Hydro	PHR41	6/24/14	Roof painting	13862 duluth-grand	\$3,000.00
					\$63,750.00
Lake Region Electric	13568	4/16/14	Various electrical work	13791 willmar	\$1,270.84
					\$1,270.84
Legend	SD4722	4/9/14	Preliminary closure work including black out windows	13791 willmar	\$2,108.43
Legend	SD4836	4/29/14	Equipment removal and misc. de-ld work	13791 willmar	\$2,515.23
Legend	SD4876	4/30/14	Remove Equipment, misc.	13826 superior	\$5,865.24
Legend	SD4877	4/30/14	De-identify store	13778 two harbors	\$6,225.15
Legend	SD4882	4/30/14	Remove Equipment, misc.	13796 clear lake	\$6,230.14
Legend	SD4883	4/30/14	Remove Equipment, misc.	13797 forest city	\$6,252.82
Legend	SD4884	4/30/14	Remove Equipment, misc.	13793 cresco	\$7,298.57
Legend	unknown	tbd	Remove Equipment, misc.	13780 duluth-london	\$4,200.00
Legend	unknown	tbd	Remove Equipment, misc.	13862 duluth-grand	\$3,100.00
					\$43,795.58
MTG	489355	4/30/14	POS removal	13793 cresco	\$112.35
MTG	489356	4/30/14	POS removal	13796 clear lake	\$112.35
MTG	489357	4/30/14	POS removal	13776 hibbing	\$149.63

MTG	489358	5/2/14	POS removal	13778 two harbors	\$842.71
MTG	489359	4/30/14	POS removal	13783 grand rapids	\$112.22
MTG	489360	4/30/14	POS removal	13787 elk river	\$356.43
MTG	489361	4/30/14	POS removal	13797 clear lake	\$607.76
MTG	489362	4/30/14	POS removal	13811 marshall	\$112.74
MTG	489363	4/30/14	POS removal	13826 superior	\$831.87
MTG	unknown	tbd	POS removal	13773 Lakeville	\$400.00
MTG	unknown	tbd	POS removal	13823 Woodbury	\$400.00
MTG	unknown	tbd	POS removal	13839 Col. Heights	\$400.00
					\$4,438.06
Royal Roofing	14-084	4/14/14	Remove existing metal on mansard, cut existing wood decking, vents to parapet	13791 willmar	\$14,853.00
Royal Roofing	14-089	4/22/14	De-identify building, remove parapet walls and flash in with TPO, new drip edge	13776 hibbing	\$11,673.00
Royal Roofing	14-090	4/22/14	De-identify Building and replace metal cap	13778 two harbors	\$9,263.50
Royal Roofing	14-091	4/22/14	De-Identify Building and removal of parapet cap and install new ridge	13796 clear lake	\$6,744.00
Royal Roofing	14-092	4/22/14	De-identify Building and replace metal cap	13793 cresco	\$10,022.00
Royal Roofing	14-093	4/22/14	De-identify Building and replace metal cap	13797 forest city	\$10,419.50
Royal Roofing	14-094	4/22/14	De-Identify Building and replace metal cap	13811 marshall	\$9,411.00
Royal Roofing	14-110	4/29/14	De-identify Building and replace metal cap	13787 elk river	\$7,789.20
Royal Roofing	14-230	6/24/14	De-identify Building and replace metal cap	13773 Lakeville	\$12,000.00
Royal Roofing	14-232	6/24/14	De-identify Building and replace metal cap	13780 duluth-london	\$9,500.00
Royal Roofing	14-231	6/24/14	De-identify Building and replace metal cap	13788 Sauk Centre	\$12,000.00
Royal Roofing	14-229	6/24/14	De-identify Building and replace metal cap	13823 Woodbury	\$12,000.00
					\$125,675.20
Summit	89263	4/24/14	Black out windows, dispose of all debris and PH items	13811 marshall	\$6,008.04
Summit	89264	4/24/14	Black out windows, dispose of all debris and PH items	13787 elk river	\$1,953.87
Summit	89265	4/24/14	Black out windows, dispose of all debris and PH items	13783 grand rapids	\$3,865.94
Summit	89266	4/24/14	Black out windows, dispose of all debris and PH items	13776 hibbing	\$5,198.51
Summit	unknown	tbd	Remove Refrigerant, disconnect equipment	13773 Lakeville	\$2,400.00
Summit	unknown	tbd	Remove Refrigerant, disconnect equipment	13823 Woodbury	\$2,400.00
Summit	unknown	tbd	Remove Refrigerant, disconnect equipment	13839 Col. Heights	\$1,300.00
Summit	unknown	tbd	Black out windows, dispose of all debris and PH items	13788 Sauk Centre	\$4,200.00
					\$27,326.36
summit fire	unknown	tbd	remove fire suppression	13773 Lakeville	\$600.00
summit fire	unknown	tbd	remove fire suppression	13823 Woodbury	\$600.00
summit fire	unknown	tbd	remove fire suppression	13839 Col. Heights	\$600.00
					\$1,800.00
TH Contracting					\$0.00
					\$0.00
				Total	\$323,591.61